

CASCADE COUNTY COMMISSION MEETING

September 24, 2015

COMMISSION CHAMBERS

COURTHOUSE ANNEX, ROOM 111

1:00 p.m.

Notice: These minutes are paraphrased and reflect the proceedings of the Board of Commissioners. MCA 7-4-2611 (2) (b). These minutes were officially approved at the October 14, 2015 Commission meeting.

PRESENT:

Commission: Madam Chair Jane Weber, Commissioners Joe Briggs and Jim Larson.

Staff seated with Commission – Herbert Kulow, Lee Haven, Carey Ann Shannon, and Marie Johnson

CALL TO ORDER: Madam Chair Weber called the special meeting to order.

PLEDGE OF ALLIGIANCE: Everyone participated in reciting the pledge of allegiance.

SPECIAL MEETING ITEM #1

Meeting with Loenbro and Montana Board of Investments to preview an Economic Development Loan approval

This special meeting was called to order for the purpose of collaborating on the upcoming presentation of this infrastructure loan at the Commission meeting.

The group went through the checklist outlining the documents to be provided by the Montana Board of Investments, Cascade County, and Loenbro, Inc. (See exhibit "A").

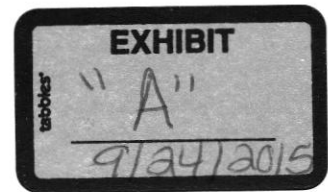
There was discussion about the documents needed. It was decided to have the Quit Claim Deed held in Carey Ann Shannon's office which is located at the County Attorney's Office.

The attached approval letter addresses to the Commission gives the details and terms of this loan (see exhibit "B").

PUBLIC PARTICIPATION IN DECISIONS OF BOARD AND ALLOWANCE OF PUBLIC COMMENT ON MATTERS THE COMMISSION HAS JURISDICTION, ON ITEMS NOT COVERED BY TODAY'S AGENDA. There was no public comment at this special meeting.

ADJOURNMENT: The meeting was adjourned at 2:05 pm

Schedule A Requirements
Cascade County Infrastructure Loan
724-9896



Documents to be provided by the Montana Board of Investments

1. Note issued by Montana Board of Investments to Cascade County in the amount of \$7,499,700.
2. First mortgage with due-on-sale clause on approximately 52.15 acres together with a fabrication facility of approximately 29,695 sq. ft. and 29,603 sf office space and all related improvements located at 1900 32nd Avenue NE, Black Eagle, MT 59414.

1900 32nd Avenue NE, Black Eagle, MT and legally described as:

Lots 1A and 7A of the amended plat of Lots 1 and 2, Block 8 and Lot 7, Block 9 Alexandra Heights Addition, a subdivision located within the North 1/2, Section 31, Township 21 north, Range 4 East, Cascade County, Montana.;
3. Term Loan Agreement with terms, conditions, representations, warranties, conditions, covenants, and events of default, issued by Montana Board of Investments.
4. Public Improvement Use Fee Agreement between Cascade County and Loenbro, Inc. acceptable to Montana Board of Investments.
5. Assignment of the Public Improvement Use Fee Agreement.
6. Assignment of a deposit account with a bank, approved by the Montana Board of Investments, in an amount, when added to the appraised value of the property, will generate a loan-to-value of no greater than 75%. The assignment of the deposit account will be released upon a reduction in the principal amount of the infrastructure loan that will generate a loan-to-value of no more than 75% of the appraised value. The appraised value must not be older than 18 months from the date of value.
7. Personal loan guarantee from Jon Leach and Paul Leach, guaranteeing payment under the Public Improvement Use Fee Agreement between Cascade County and Loenbro, Inc.
8. The Lease between Cascade County and Loenbro, Inc. must be acceptable to the Montana Board of Investments before it can be activated.
9. Assignment of the Lease between Cascade County and Loenbro, Inc.
10. Appraiser's verification that the subject property has been completed per plans and specifications and recertification of value.
11. Any other documents as may be required by the Montana Board of Investments **as reasonably required**.

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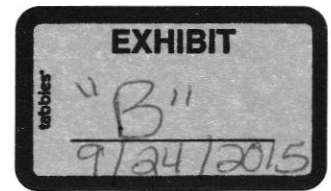
Documents to be provided by Cascade County

1. Signed resolution by Cascade County authorizing this infrastructure loan and identifying those individuals authorized to sign in behalf of Cascade County.
2. An opinion from the attorney for Cascade County as to their legal ability to participate in the Infrastructure Loan program and that the project qualifies under the Infrastructure loan program.
3. An opinion from the attorney for Cascade County as to the legal and binding nature of this obligation, all loan and supporting documents, the collateral thereof and the amortization schedule of said loan.
4. Attorney's opinion stating that the sale option, if any, of subject property, complies with state law.
5. Final mortgagee's ALTA extended coverage title policy from Cascade County to the Montana Board of Investments.
6. Either a survey of the proposed collateral or a description of the proposed collateral using "metes and bounds".
7. Evidence of the following insurance satisfactory to the Approved Lender and the Board:
 - Approved Lender to be named Mortgagee/Loss Payee.
 - All-risk perils.
 - Liability.
 - Flood (if applicable).
 - Montana Unemployment Insurance
8. Prior to disbursement, Cascade County must furnish a certificate from the County Treasurer showing that all real and personal property taxes are paid to date (if applicable).
9. Phase I Environmental Assessment **or** Environmental Questionnaire acceptable to the Board of Investments.
10. Certificate of Occupancy, or equivalent from State of Montana.
11. Building must comply with American Disabilities Act standards.
12. Certification by Cascade County and Loenbro, Inc. that Loenbro, Inc. has all necessary permits and licenses to operate and that they are not in violation with any laws, federal, state or municipal.
13. Cascade County will certify that they, as well as Loenbro, Inc. are in compliance with the Development Agreement or any other agreements.
14. Provide copy of Development Agreement and Lease between Cascade County and Loenbro, Inc. to MBOI.
15. Cascade County will verify on a semi-annual basis that the real estate taxes are paid current.
16. This commitment is subject to Montana law 17-6-325 which state: "Any contract to construct a project financed pursuant to this part must require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of non-residents." Cascade County to provide information to verify to the Board's satisfaction that the borrower has complied with this law.

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Documents to be provided by Loenbro, Inc.

1. Opinion of Counsel for Loenbro, Inc. regarding the validity of the Public Improvement Use Fee Agreement, Assignment of the Public Improvement Use Fee Agreement and that Loenbro, Inc. has the authority to enter into the Public Improvement Use Fee Agreement and any supporting documents and is obligated to make payments described in the Public Improvement Use Fee Agreement.
2. All required resolutions authorizing Loenbro, Inc. to enter into the Public Improvement Use Fee Agreement and related documents.
3. All required resolutions identifying the individual(s) authorized to sign in behalf of Loenbro, Inc.
4. Provide to Cascade County a final ALTA extended coverage title policy on subject property.
5. Provide to Cascade County either a survey of the proposed collateral or a description of the proposed collateral using "metes and bounds".
6. Loenbro to deed subject property to Cascade County.
7. A certification from Loenbro, Inc. that they will create a minimum of 450 full-time jobs within the prescribed time frame as found by 17-6-311 (a) MCA.
8. Certification from the Montana Secretary of State that Loenbro, Inc. is authorized to do business in the State of Montana and in good standing.
9. Architect's Certificate of Completion.
10. Certified copy of all costs. The total of the MBOI infrastructure loan of \$7,499,700 will not have a loan-to-value of greater than 75% of the lower of the hard construction costs or appraised value of the real estate, whichever is lower.
11. Phase I Environmental Assessment or Environmental Questionnaire acceptable to the Board of Investments.



October 1, 2015

Letter of Approval

Jane Weber, Commission Chairperson
Cascade County 325 2nd Avenue North
Great Falls, MT 59401

RE: Cascade County
Infrastructure Loan Application No. 724-9896

Dear Jane:

We are pleased to advise you that based on the statements contained in your application and supporting documents, the Board of Directors of the Board of Investments (the Board) approved your loan on February 24, 2015. This approval is contingent upon agreement to the terms and conditions set forth herein and on any exhibits attached hereto which are hereby incorporated by reference and upon the timely performance of such terms and conditions. ***If the terms of the letter are acceptable, please sign, have the User Business sign, and return the original copy of the letter to our office.*** Retain one copy for yourself and one for the User Business.

Borrower: Cascade County

Amount of Loan: \$7,499,700

Term of Loan: 20 years

Interest Rate: 5.70%

Repayment Schedule: Monthly

Frequency of Interest Payments: Monthly

Guarantors: Paul Leach and Jon Leach will guarantee the payment of the Use Fee to Cascade County.

Purpose of the Loan: The purpose of the subject loan is to provide funds for Cascade County to purchase the completes Loenbro facility through the infrastructure loan program

List Security: First mortgage on 52.147 acres and improvements.

General Term, Condition and Security: See Attached Schedule A

Prior to disbursement, the Applicant and User Business shall perform or satisfy each of the additional conditions to the satisfaction of the Board, and provide each of the additional items, shown on Schedule A hereto.

It is a condition of this Letter of Approval that Cascade County accepts the terms and conditions of this Approval in writing and return a signed copy of this Approval to the Board prior to the close of business on March 26, 2015.

Sincerely,

BOARD OF INVESTMENTS

By _____
Its Herbert J.C. Kulow, CMB
Senior Portfolio Manager
Montana Board of Investments

Accepted:

Cascade County

Date: _____

Accepted:

Loenbro, Inc.

Date: _____